

### **REMARKS**

Applicant respectfully requests reconsideration and allowance of claims 18-25, 29-33, and 46 that are pending in the above-identified patent application.

#### **Amendment to Claims**

Applicant has amended claims 18 and 46 to more clearly recite various features of the invention. Applicant submits that no further search is necessitated by this amendment because the claim amendments expressly recite features that were inherent in the original claims.

It is submitted that the amendment to claim 18 is not a narrowing amendment given that the ordinary meaning of “order” in this art inherently requires that the intermediate orders include at least one offer or bid. If the Examiner disagrees with this, Applicant respectfully requests that the Examiner state his reasons for disagreement.

Applicant has amended claim 46 to recite a previously recited positive limitation in the negative to address clarity concerns by the Examiner.

#### **Rejection Under § 112**

At pages 2-3 of the Office Action, the Examiner rejected claims 18-25, 29-33 and 46 under 35 U.S.C. § 112, second paragraph as being indefinite for “omitting essential steps.” The examiner cited MPEP § 2172.01 to support his position and asks two questions: Does the facilitating step depend on any one of the allowing and the identifying steps? Alternatively, do the allowing and the identifying steps depend on the facilitating step? The Examiner concludes that “[T]he transaction is carried out based on the respective orders communicated by respective parties only and without regard to the communication of the intermediate orders and identification of (at least one) chain of the intermediate parties.”

Applicant respectfully traverses the Examiner’s rejection. Applicant does not believe that claim 18 before the instant amendment omitted essential subject matter. MPEP §2172.01 makes

clear that “It is not essential to a patentable combination that there be interdependency between the elements of the claimed device or that all the elements operate concurrently toward the desired result.” Further, MPEP §2172.01 states that “a claim does not necessarily fail to comply with 35 U.S.C. § 112, second paragraph, where the various elements do not function simultaneously, are not directly functionally related, do not directly intercooperate, and/or serve independent purposes.”

In view of the foregoing, Applicant submits that the Examiner has erroneously concluded that §112, second paragraph, requires that “the facilitating steps depend on ... one of the allowing and the identifying steps”; and that the “allowing and the identifying steps depend on the facilitating step.” Indeed, MPEP §2172.01 does not require these relationships. Even if such relationships were required, however, the recited steps of claim 18 before and after the instant amendment are functionally related. The first step now recites “facilitating execution of a chain of transactions in a computerized system...” the second step recites “allowing each of a plurality of intermediate parties using the computerized system to communicate intermediate orders relating to the first order or another of the intermediate orders, and allowing a second ordering party using the computerized system to communicate a second order relating to one or more of the intermediate orders...” and the third step recites “using the first order, at least one communicated intermediate order, and the second order to identify the chain of transactions to be executed among the first ordering party, at least one intermediate party, and the second ordering party” The underlined text points to some of the language that at least functionally links each of the steps in claim 18. At least for the above reasons, Applicant submits that claim 18 does not omit essential steps. Accordingly, Applicant respectfully requests that the Examiner withdraw his rejection of claims 18-25, 29-33 and 46 in this regard.

The Examiner also rejects claim 46 under 35 U.S.C. § 112, second paragraph, because he says that the claim is not specific as to which orders of claim 18 have parameters set by the parties. Although Applicant submits that the original language of claim 46 was clear that some or all of the orders could have parameters set by the parties, Applicant has amended claim 46 to recite such. In addition, Applicant further clarified what is and what is not permitted vis-à-vis the intermediate parties. Accordingly, Applicant submits that the Examiner’s § 112, second paragraph, rejection of claim 46 should be withdrawn.

**Rejection Under § 102**

In numbered Parts 5-6 of the Office Action, the Examiner rejected claims 18-20 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,594,633 ("the Broerman reference"). Applicant respectfully traverses the Examiner's rejection. Although Applicant has below responded to the Examiner's citation of the Broerman reference on the merits, Applicant reserves his right to swear behind the Broerman reference under 37 C.F.R. § 1.131.

Independent method claim 18 recites the steps of:

facilitating execution of a chain of transactions in a computerized system, the chain of transactions being based on a first order communicated by a first ordering party, the first order including at least one bid or offer;

allowing each of a plurality of intermediate parties using the computerized system to communicate intermediate orders relating to the first order or another of the intermediate orders, and allowing a second ordering party using the computerized system to communicate a second order relating to one or more of the intermediate orders, each of the intermediate orders and the second order including at least one offer or bid; and

using the first order, at least one communicated intermediate order, and the second order to identify the chain of transactions to be executed among the first ordering party, at least one intermediate party, and the second ordering party.

Among the reasons that embodiments of the invention, such as that recited in claim 18, differ from the prior art include that such prior art systems eliminate intermediaries of the type that make intermediate offers and rebrokering transactions between a first party and a second party, yet intermediate offers are the keystone of the invention. This was discussed in the instant application at pages 2-3 as follows:

The use of computerized systems to facilitate commercial transactions has increased drastically over the past few years. Such systems range from private networks for use by subscribers to open systems available over public networks such as the Internet. These systems are being used for many different types of transactions, including the sale and purchase of airline tickets, cars, and homes, auctions and reverse auctions of various merchandise and services, and the trading of securities such as stocks and bonds. In a large number of cases, these systems

are designed to eliminate intermediaries, such as agents and brokers, who were traditionally involved in executing these transactions. Indeed, these systems are touted for providing this feature, especially since it thereby eliminates the cost associated with such intermediaries.

However, by eliminating the role of intermediaries, these systems also lose out on the benefits provided by such intermediaries. Agents, brokers, and other intermediaries typically play a critical role in their respective markets. Among other things, they cultivate relationships with clients that lend stability to the overall market and leverage knowledge of the market to help clients achieve the desired results.

This issue becomes pronounced in the market for fixed income securities of bonds. The U.S. fixed income market is the most liquid, largest, and best established in the world, due in no small part to the role of intermediaries such as broker-dealers. Broker-dealers provide liquidity and perform many settlement requirements for each trade, including credit guarantees and storage for dollars. Broker-dealers also perform a key function in the bond markets by shouldering the regulatory burden which, under SEC regulations, requires broker-dealers to register, maintain specific records, and provide various reports on a regular basis. Moreover, broker-dealers have substantial expertise and experience which is brought to bear in the bond trading process. Fixed income securities are highly complex, with 4.4 million different fixed income securities outstanding, each having distinct structures, credit ratings, coupons, maturities, payment schedules, and features.

The Examiner takes the position that the Broerman reference discloses “allowing each of a plurality of intermediate parties ... to communicate intermediate transactions relating to the transaction to one another (as shown in Figures 3 and 10), real estate transaction involved a plurality of intermediate parties such as brokerage system 22, facilitator 24 and payment transaction system (escrow, etc.), which are identified as a chain in order to facilitate the execution of the transaction...” As discussed below, it is apparent that the Examiner has not given the definition of the term “order” the appropriate meaning in making his rejection. When the term “order” is given its proper definition in this art area, *i.e.*, including at least one offer or bid, the inadequacies of the Broerman reference vis-à-vis claim 18 of the instant application become clear.

The Broerman reference is directed to a real estate computer network in which the brokering of a real estate transaction is facilitated by electronically communicating property information to

potential buyers over a computer network, such as the Internet. (Col. 2, lines 15-19.) The Broerman reference discloses nothing more than the prior art discussed at page 2, lines 3-12 of the instant application, quoted above. Indeed, the Broerman reference makes clear that the negotiation between a single seller and a single buyer over the transfer of real property (*i.e.*, the transaction) includes electronically generating an offer and transmitting same to the buyer or the seller over the computer network. Counteroffers are also established between the buyer and the seller. (Col. 2, lines 25-37.) It is crystal clear, however, that the Broerman reference does not disclose any “intermediate parties” to make “intermediate orders” relating to the first order or another of the intermediate orders as recited in the instant claims. Indeed, any orders of the Broerman reference exist between the buyer and the seller – no intermediate offers or bids take place between intermediate parties.

In view of the foregoing, it is clear that the Broerman reference fails to disclose each and every feature of the invention as recited in independent method claim 18 of the instant application. Accordingly, Applicant respectfully requests that the Examiner withdraw his §102(e) rejection of claim 18. Further, dependent claims 19-25, 29-33, and 46 include all of the limitations of claim 18 as well as other limitations which are neither disclosed nor suggested by the prior art of record. Accordingly, Applicant submits that the subject dependent claims are likewise patentable.

In view of the foregoing, Applicant submits that the instant claims are in condition for allowance. Early and favorable action is earnestly solicited. In the event there are any fees due and owing in connection with this matter, please charge same to our Deposit Account No. 11-0223.

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Respectfully submitted,

By 

Matthew B. Dernier

Registration No.: 40,989

KAPLAN & GILMAN, L.L.P.

900 Route 9 North, Suite 104

Woodbridge, New Jersey 07095

(732) 634-7634

Attorneys for Applicant